



**SHXWHA:Y VILLAGE
FINANCIAL STATEMENTS**

March 31, 2014

1

SHXWHA:Y VILLAGE
INDEX TO THE FINANCIAL STATEMENTS
March 31, 2014

	<u>Page</u>
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS	2
AUDITOR'S REPORT	3
SUMMARY FINANCIAL STATEMENTS	
Summary Statement of Financial Position	4
Summary Statement of Changes in Net Financial Assets	4
Summary Statement of Operations	5
Summary Statement of Cash Flow	6
Notes to Financial Statements	7-16
Auditor's Report	17
Schedule of Salary, Honorarium, Travel and Other Remuneration	Schedule 1

SHXWHA:Y VILLAGE
Year Ended March 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Shxwha:y Village are the responsibility of management and have been approved by the Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, Langbroek, Louwerse and Thiessen LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Shxwha:y Village and meet when required.

On behalf of Shxwha:y Village:



Councillor

Nov 7 2014

Date



Councillor

Nov 7, 2014

Date

AUDITOR'S REPORT

To the Members
Shxwha:y Village

We have audited the accompanying financial statements of Shxwha:y Village, which comprise the statement of financial position as at March 31, 2014, the statement of change in net financial assets, the statement of operations, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for public sector organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Basis for Qualified Opinion

The Shxwha:y Village is responsible for determining the cost of contributed tangible capital assets, where the existence and the valuation and allocation of which is not susceptible to satisfactory audit verification. Accordingly, our verification of the cost of tangible capital assets was limited to the capitalized tangible capital assets recorded within the organization and we were not able to determine whether there were any adjustments necessary to the cost of the tangible capital assets.

Opinion

In our opinion, except for the possible effect, if any, which we might have determined to be the matter described in the Basis for Qualified Opinion, these financial statements present fairly, in all material effects, the financial position of the Shxwha:y Village as at March 31, 2014, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



LANGBROEK, LOUWERSE + THIESSEN LLP

CERTIFIED GENERAL ACCOUNTANTS

Chilliwack, B.C.
July 21, 2014

SHXWHA:Y VILLAGE
Summary Statement of Financial Position
March 31, 2014

	<u>2014</u>	<u>2013</u> (Revised)
FINANCIAL ASSETS		
Unrestricted cash	\$ 2,204,889	\$ 1,902,031
Restricted cash (Note 10)	170,200	149,388
Investments (Note 3)	3,807,713	3,753,454
Accounts receivable	935,581	256,109
Rent receivable - Social Housing (Note 4)	42,623	28,861
Rent receivable - Band Housing (Note 4)	14,679	8,138
Home repair receivable (Note 4)	8,496	23,589
Ottawa Trust Funds (Note 5)	221,707	221,088
Government business enterprise investments (Note 6)	1,524,037	1,252,844
	<u>8,929,925</u>	<u>7,595,502</u>
LIABILITIES		
Accounts payable and accrued liabilities	634,846	554,017
Long-term and callable debt (Note 8)	319,310	432,470
Obligation under capital lease (Note 9)	33,154	-
Unearned revenues	34,800	-
	<u>1,022,110</u>	<u>986,487</u>
NET FINANCIAL ASSETS	<u>7,907,815</u>	<u>6,609,015</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	1,481,043	1,540,597
Prepaid expenses	6,173	12,662
	<u>1,487,216</u>	<u>1,553,259</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 9,395,031</u>	<u>\$ 8,162,274</u>

Summary Statement of Change in Net Financial Assets

	<u>2014</u>	<u>2013</u> (Revised)
ANNUAL SURPLUS	<u>\$ 1,232,757</u>	<u>\$ 824,622</u>
Acquisition of tangible capital assets	(147,502)	(43,321)
Loss on disposal of tangible capital assets	52,924	1,484
Amortization of tangible capital assets	154,132	142,319
	<u>59,554</u>	<u>100,482</u>
Acquisition of prepaid expense	(27,204)	(32,723)
Use of prepaid expense	33,693	23,903
	<u>6,489</u>	<u>(8,820)</u>
Decrease in net debt	<u>1,298,800</u>	<u>916,284</u>
Net financial assets, beginning of the year, as previously reported	<u>7,023,677</u>	<u>6,114,948</u>
Prior period adjustment (Note 14)	(414,662)	(422,217)
Net financial assets, beginning of the year, as restated	<u>6,609,015</u>	<u>5,692,731</u>
Net financial assets at end of year	<u>\$ 7,907,815</u>	<u>\$ 6,609,015</u>

APPROVED BY:

 Councillor

 Councillor

The accompanying notes are an integral part of these financial statements.

SHXWHA:Y VILLAGE
Summary Statement of Operations
Year Ended March 31, 2014

	2014	Budget	2013 (Revised)
REVENUE			
Aboriginal Affairs and Northern Development Canada (Note 11)	\$ 1,011,570	\$ 461,682	\$ 701,249
Band Employee Benefit Plan - AANDC (Note 11)	8,235	6,272	8,960
BC Hydro - Community Development	2,000	2,000	2,000
Billboard rental	13,937	14,540	14,541
Canadian Mortgage and Housing Corporation Assistance	28,135	45,000	33,193
First Nation Education Steering committee	6,323	8,300	9,870
Human Resources and Social Development	15,075	16,000	17,495
Insurance Proceeds	149,880	-	-
Interest	10,528	7,450	8,371
Investments	272,837	-	164,087
Land Lease	32,100	30,000	22,650
Other (Note 12)	106,355	58,261	46,775
Ottawa Trust Fund	7,811	-	12,313
Provincial Grants	28,000	-	-
Rent and Lease	134,301	140,000	143,403
Replacement Reserve contribution	20,812	-	20,812
Royalties	1,824,077	2,114,727	1,620,033
Sto:lo Nation	5,798	2,600	5,576
	3,677,774	2,906,832	2,831,328
EXPENDITURES			
Administration	469,406	492,600	540,813
Band Hall	48,302	28,600	35,165
Band Housing	87,560	49,200	48,871
Band Revenue	893,522	553,000	469,746
Community Maintenance	162,264	114,700	91,153
Economic Development	94,932	137,823	69,365
Family and Youth Programs	37,200	38,175	20,094
First Nation Land Management Initiative (FNLMI) Clean Up	88,937	-	228,900
Forestry Program	3,700	3,700	2,520
Land Code	267,600	318,540	259,028
Land Fill	23,705	94,500	38,548
P&D AANDC	32,500	-	-
Property Taxation	21,997	10,000	18,557
Replacement Reserve	28,145	-	-
Schweyey Road Claim	2,520	-	2,520
Smoke House Renovation	2,168	1,300	480
Social Housing Operations	164,443	195,175	159,134
Summer Students	16,116	18,800	21,812
	2,445,017	2,056,113	2,006,706
ANNUAL SURPLUS			
	1,232,757	850,719	824,622
ACCUMULATED SURPLUS AT BEGINNING OF YEAR, as previously reported			
Prior period adjustment (Note 14)	8,576,936	8,576,936	7,759,869
	(414,662)	(414,662)	(422,217)
ACCUMULATED SURPLUS AT BEGINNING OF YEAR, as restated			
	8,162,274	8,162,274	7,337,652
ACCUMULATED SURPLUS AT END OF YEAR	\$ 9,395,031	\$ 9,012,993	\$ 8,162,274

SHXWHA:Y VILLAGE
Summary Statement of Cash Flow
Year Ended March 31, 2014

	2014	2013 (Revised)
OPERATING TRANSACTIONS		
Annual surplus (Page 4)	\$ 1,232,757	\$ 824,622
Increase in accounts receivable	(679,472)	230,530
Decrease in members loans	-	8,950
Rent receivable - Social Housing	(13,762)	1,993
Rent receivable - Band Housing	(6,541)	(204)
Home repair receivable	15,093	200
Amortization for the year	154,132	142,319
Loss on sale of tangible assets	52,924	1,484
(Increase) decrease in prepaid insurance	6,489	(8,820)
Increase in accounts payable	80,829	4,858
Increase in unearned revenues	34,800	-
	<hr/> 877,249	<hr/> 1,205,932
FINANCING TRANSACTIONS		
Tangible capital asset acquisitions	(147,502)	(43,321)
Proceeds from (payment of) capital lease	33,154	(8,793)
Payment of long-term debt	(113,160)	(107,541)
	<hr/> (227,508)	<hr/> (159,655)
INVESTING TRANSACTIONS		
Net change in Ottawa Trust Funds	(619)	(70)
Increase in Skway Development Corporation	(28,139)	(36,078)
Increase in partnerships	(243,054)	(144,097)
Investment acquisitions	(54,259)	(49,098)
	<hr/> (326,071)	<hr/> (229,343)
INCREASE IN CASH AND CASH EQUIVALENTS	<hr/> 323,670	<hr/> 816,934
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<hr/> 2,051,419	<hr/> 1,234,485
CASH AND CASH EQUIVALENTS AT END OF YEAR	<hr/> \$ 2,375,089	<hr/> \$ 2,051,419
CONSISTS OF:		
Unrestricted Cash	\$ 2,204,889	\$ 1,902,031
Restricted cash (Note 10)	170,200	149,388
	<hr/> \$ 2,375,089	<hr/> \$ 2,051,419

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

7

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as prescribed by the C.I.C.A. Public Sector Accounting Board. The financial statements reflect the combined results and activities of the reporting activities of the reporting entity which is comprised of the Capital, Ottawa Trust, Social Housing and Operations Fund. Interfund transactions have been eliminated on consolidation. The policies encompass the following principles:

a) Fund Accounting

The Shxwha:y Village uses fund accounting procedures, which result in a self-balancing set of accounts for each fund, established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Shxwha:y Village maintains the following funds:

The Capital Fund, which reports the tangible capital assets of the First Nation, together with their related financing.

The Ottawa Trust Fund, which reports on trust funds, owned by the First Nation and held by third parties.

The Operations Fund, which reports the general activities of the First Nation Administration.

b) Reporting Entity and Principles of Financial Reporting

The Shxwha:y Village reporting entity includes the Shxwha:y Village government and all related entities, which are accountable to the First Nation Members and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities, and results of operations for the following entities, which use

Shxwha:y Village Capital Fund
Shxwha:y Village Ottawa Trust Fund
Shxwha:y Village Operations Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by the Skway First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the summary financial statements using the modified equity method. These include Skway Development Corporation.

c) Tangible Capital Assets

Housing assets acquired under C.M.H.C. sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt, as required for C.M.H.C. reporting purposes.

Physical assets recorded are amortized annually starting in 2007 with a corresponding reduction in the capital assets fund. Assets are amortized over their expected useful life using the following declining balance rates:

Community Hall	4%
Community Hall Furnishings	20%
Smoke House	4%
Office Equipment	20%
Computer Equipment	30%
Playground Equipment	10%
Tractor and Attachments	30%

One half of the normal amortization is recorded in the year of acquisition and none in the year of disposition.

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

d) Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position. All other income is recognized when it is earned and there is reasonable assurance of collection.

e) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reported period. These estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. These include management's estimate of the collectability of accounts receivable and the useful life of tangible capital assets.

f) Financial Instruments

The First Nation's financial instruments consist of cash, investments, accounts receivable, government business enterprise investments, accounts payable, capital leases and long-term debt. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

g) Investments

Temporary investments are recorded at cost, and subsequent valuation is determined by the lower of cost or market. When in the opinion of management, there is a permanent decline in value, investments are written down to their net realizable value.

Government business enterprise investments are recorded using the modified equity method.

2. ECONOMIC DEPENDENCE

The First Nation received 28% of its revenues pursuant to funding agreements with Aboriginal Affairs and Northern Development Canada and Canada Mortgage and Housing Corporation. The Band also receives a significant amount of its revenues from Tervita Corporation (29%) and Lehigh Northwest (19%).

3. INVESTMENTS

The First Nation has investments with Municipal Finance Authority of BC. The investment account consists of the following investments:

	Book Value	Market Value
MFABC Intermediate	\$ 3,807,347	\$ 3,807,347
MFABC Money Market	366	366
	<u>\$ 3,807,713</u>	<u>\$ 3,807,713</u>

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

4. HOUSING RECEIVABLES AND LOANS TO BAND MEMBERS

	<u>2014</u>	<u>2013</u>
Social Housing Rent Receivable (Prepaid) (Project II - V)		
Cailing, Donna	\$ -	\$ 2,900
Cailing, Zack	1,200	-
Campbell, Roman	-	(37)
Corpuz, Leonard Sr.	339	-
Corpuz, Seppry	1,450	-
Cunanan, N M	4,272	1,600
Ekman, Roger	-	800
Gladstone, Marcia	3,260	-
Greene, Anna	2,213	2,419
Greene, Rose	1,481	1,481
James, Cecilia	2,377	3,620
James, Floyd	713	-
James, Josephine	-	400
Johns, Robyn	4,795	2,835
Lorentz, Sadie	2,348	3,248
Narte, Mario	445	445
Norris, Bibianna	540	540
Purcell, Ed	1,017	1,017
Purcell, Karen	1,815	1,815
Russell, Bonnie	3,369	4,161
St. Germain, Terry	66	-
Sutherland, Collette	285	285
Williams, Annie	2,349	218
	<u>34,334</u>	<u>27,747</u>
Social Housing Rent Receivable (Project VI)		
Gladstone, Leonard and Jessie	1,389	489
Gladstone, Robert	400	225
Rabang, Tyrone	2,400	-
Russell, Jessie	4,100	400
	<u>8,289</u>	<u>1,114</u>
	<u>\$ 42,623</u>	<u>\$ 28,861</u>
Band Housing Rent Receivable		
Adams, Art	\$ -	\$ 800
Cailing, Keith	2,460	-
Corpuz, Leonard Jr.	4,000	2,230
James, Madeline	2,924	2,620
Narte, Mario	1,600	1,600
Rabang, Gina	1,927	-
Rabang, William	294	854
Rapada, Mondalita	1,474	334
Williams, Darrell	-	(300)
	<u>\$ 14,679</u>	<u>\$ 8,138</u>
Home Repair Receivable		
Rapada, Cyril	\$ -	\$ 15,093
Rapada, Nadine	8,496	8,496
	<u>\$ 8,496</u>	<u>\$ 23,589</u>

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

5. OTTAWA TRUST FUNDS

The Ottawa Trust Fund Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. Section 63 to 69 of the Indian Act primarily govern the management of these funds.

6. GOVERNMENT BUSINESS ENTERPRISE INVESTMENTS

Government business enterprise investments are recorded using the modified equity method and consist of the following:

	<u>2014</u>	<u>2013</u> (Revised)
Skway Development Corporation	\$ 534,999	\$ 506,860
Centre Creek Limited Partnership	8,531	10,070
Ch-Ihl-Kway-Uhk Forestry Limited Partnership (Note 14)	18,399	16,454
Ch-Ihl-Kway-Uhk Tribe Society	45,768	40,295
Ts'elxweyeqw Tribe Limited Partnership	848,839	645,414
Ts'elxweyeqw Tribe Management Ltd.	1	1
Four Corners Tribal Business Corporation (Note 14)	67,500	33,750
	<u>\$ 1,524,037</u>	<u>\$ 1,252,844</u>

The Skway Development Corporation was formed to provide an enterprise which would carry out economic development for its members. Skway Development Corporation holds all these assets in trust for the members of the Shxwhay Village.

The Centre Creek Limited Partnership is in the business of property rental and management within the Chilliwack River Valley. The First Nation owns 11 of the 100 partnership units in Centre Creek Limited Partnership.

The Ch-Ihl-Kway-Uhk Forestry Limited Partnership is in the business of developing, operating and participating in various forestry activities. The First Nation owns 11 of the 89 partnership units in the Ch-Ihl-Kway-Uhk Forestry Limited Partnership.

The Ch-Ihl-Kway-Uhk Tribe Society is in the business of property rental and management activities. The First Nation is a member of the society along with eight other first nation groups.

The Ts'elxweyeqw Tribe Limited Partnership is in the business of accomodating business ventures of First Nation Groups in the Fraser Valley. The First Nation owns 10 of the 71 partnership units in the Ts'elxweyeqw Tribe Limited Partnership.

The Ts'elxweyeqw Tribe Management Ltd. is the general partner of the Ts'elxweyeqw Tribe Limited Partnership. The First Nation owns 1 of the 7 shares in the Ts'elxweyeqw Tribe Limited Partnership.

Four Corners Tribal Business Corporation is in the business of assisting in implementing business and economic strategies for First Nations. The First Nation owns 67,500 of the 270,000 shares in Four Corners Tribal Business Corporation.

(continues)

SHXWHA:Y VILLAGE
Notes to the Financial Statements
Year Ended March 31, 2014

6. GOVERNMENT BUSINESS ENTERPRISE INVESTMENTS (continued)

The following table presents condensed financial information for these commercial enterprises:

	Skway Development Corporation	Centre Creek LP	Ch-ihl-Kway-Uhk Forestry LP	Ch-ihl-Kway-Uhk Tribe Society	Ts'elxweyeqw Tribe LP	Ts'elxweyeqw Tribe Mgmt Ltd.	2014 Total	2013 Total
Cash	\$ 262,728	\$ 11,482	\$ 172,924	\$ 268,590	\$ 758,501	\$ 91,731	\$ 1,565,956	\$ 2,359,520
Accounts receivable	-	-	43,166	-	747,439	957,903	1,748,508	208,106
Inventory	-	-	199,128	-	-	-	199,128	-
Due from related parties	-	-	3,802	158,282	3,162,963	79,362	3,404,409	3,368,883
Investments	-	-	-	-	930,518	3,967	934,485	417,855
Property and equipment	1,497,695	2,539,492	-	320	2,448	6,826	4,046,781	4,134,650
Other	500	16,503	1,000	-	-	12,435	30,438	33,238
Total Assets	1,760,923	2,567,477	420,020	427,192	5,601,869	1,152,224	11,929,705	10,522,252
Bank indebtedness	-	100,000	-	-	-	-	100,000	100,000
Accounts payable and accrued expenses	12,298	16,806	222,050	9,085	72,886	359,834	692,959	354,834
Security deposits	10,881	-	-	-	-	-	10,881	10,881
Due to related parties	661,184	522,304	5,258	6,196	-	792,506	1,987,448	2,298,963
Long-term debt	1,213,626	372,197	-	-	-	-	1,585,823	1,698,123
Total Liabilities	1,897,989	1,011,307	227,308	15,281	72,886	1,152,340	4,377,111	4,462,801
Equity	(137,066)	1,556,170	192,712	411,911	5,528,983	(116)	7,552,594	6,059,451
Total Liabilities and Equity	1,760,923	2,567,477	420,020	427,192	5,601,869	1,152,224	11,929,705	10,522,252
Revenue	130,247	95,700	257,888	55,149	2,122,193	1,721,148	4,382,325	2,479,370
Expenses	120,972	109,690	242,154	5,892	696,792	1,713,679	2,889,179	1,557,561
Net Income (loss)	\$ 9,275	\$ (13,990)	\$ 15,734	\$ 49,257	\$ 1,425,401	\$ 7,469	\$ 1,493,146	\$ 921,809

Note: Financial statements for Four Corners Tribal Business Corporation were not available.

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

7. TANGIBLE CAPITAL ASSETS

	2014			
	Opening Cost	Additions	Disposals	Closing Cost
SOCIAL HOUSING FUND				
Housing Projects	\$ 1,912,254	\$ -	\$ -	\$ 1,912,254
CAPITAL FUND				
Band Housing	376,506	-	62,751	313,755
Buildings Under Construction	-	50,833	-	50,833
Community Hall	375,642	-	-	375,642
Community Hall Furnishings	72,708	-	-	72,708
Smoke House	74,835	-	-	74,835
Office Equipment	120,778	73,731	47,081	147,428
Computer Equipment	49,785	22,938	18,636	54,087
Playground Equipment	19,365	-	-	19,365
Tractor and Attachments	46,100	-	-	46,100
	<u>\$ 3,047,973</u>	<u>\$ 147,502</u>	<u>\$ 128,468</u>	<u>\$ 3,067,007</u>
	Opening Accumulated Amortization	2014 Amortization	Disposal	Ending Accumulated Amortization
SOCIAL HOUSING FUND				
Housing Projects	\$ 977,080	\$ 94,411	\$ -	\$ 1,071,491
CAPITAL FUND				
Band Housing	147,649	18,749	24,608	141,790
Buildings Under Construction	-	-	-	-
Community Hall	158,715	8,677	-	167,392
Community Hall Furnishings	51,240	4,296	-	55,536
Smoke House	20,738	2,163	-	22,901
Office Equipment	59,993	16,827	33,570	43,250
Computer Equipment	44,562	4,627	17,366	31,823
Playground Equipment	14,187	517	-	14,704
Tractor and Attachments	33,212	3,865	-	37,077
	<u>\$ 1,507,376</u>	<u>\$ 154,132</u>	<u>\$ 75,544</u>	<u>\$ 1,585,964</u>
	Net Book Value 2014	Net Book Value 2013		

Buildings under construction are not being amortized because they are not available for use at March 31, 2014. Included in Office Equipment is a photocopier under capital lease with a cost of \$35,000.

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

8. LONG-TERM AND CALLABLE DEBT

	<u>2014</u>	<u>2013</u>
Demand loan - Royal Bank of Canada Payments of \$1,680 per month including interest at 3.74% due on demand	\$ 95,757	111,982
Demand loan - Royal Bank of Canada Payments of \$2,823 per month including interest at 2.42% per annum; due on demand	8,436	\$ 41,671
Demand loan - Royal Bank of Canada Payments of \$1,912 per month including interest at the bank's prime lending rate plus 1%; due on demand	-	18,749
Loan - Canada Mortgage and Housing Corporation (CMHC) Payments of \$918 per month including interest at 2.63% per annum; due June 2016	144,424	151,555
Loan - Canada Mortgage and Housing Corporation (CMHC) Payments of \$3,256 per month including interest at 1.38% per annum; due January 2016	70,693	108,513
	<u>319,310</u>	<u>432,470</u>
Amounts payable within one year	<u>(70,993)</u>	<u>(113,198)</u>
	<u>248,317</u>	<u>319,272</u>
Callable debt due after one year	<u>(78,864)</u>	<u>(79,931)</u>
	<u><u>\$ 169,453</u></u>	<u><u>\$ 239,341</u></u>

The loans are secured by a Ministerial Guarantee of the Minister of Aboriginal Affairs and Northern Development Canada as well as a general security agreement.

The demand features of the callable debt are not expected to be exercised in the current period. Assuming payment of callable debt is not demanded, regular principal payments required on all callable and long term debt for the next five years are approximately:

2015	\$ 70,993
2016	57,394
2017	25,905
2018	26,796
2019	27,719
Thereafter	<u>110,503</u>
	<u><u>\$ 319,310</u></u>

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

9. OBLIGATION UNDER CAPITAL LEASE

	<u>2014</u>	<u>2013</u>
Equipment Lease - RCAP Leasing Inc. Lease payments of \$753 monthly including interest at 13.45% per annum; expiring in April 2019; secured by specific equipment	\$ 33,154	\$ -
Current portion of obligations under capital lease	<u>(4,873)</u>	<u>-</u>
	<u>\$ 28,281</u>	<u>\$ -</u>

Regular principal payments required on capital leases for the next five years are approximately:

2015	\$ 4,873
2016	5,570
2017	6,367
2018	7,279
2019	<u>9,065</u>
	<u>\$ 33,154</u>

10. REPLACEMENT RESERVE

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the Replacement Reserve account is to be credited in the amount of \$20,812 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first then principal. The replacement reserve is over funded by \$15,993 (2013 - under funded by \$12,152) at March 31, 2014. At March 31, 2014, the following amounts were held in a separate bank account:

	<u>2014</u>	<u>2013</u>
Replacement Reserve	<u>\$ 170,200</u>	<u>\$ 149,388</u>

11. ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA FUNDING

The First Nation received funding from Aboriginal Affairs and Northern Development Canada during the year in the amount of \$626,070. The allocation to the various funds consists of the following:

	<u>Administration</u>	<u>Community Maintenance</u>	<u>Other</u>	<u>Total</u>
Band Support	\$ 233,244	\$ 279,536	\$ -	\$ 512,780
Environmental Site Assessments	-	43,253	-	43,253
Community Maintenance	-	53,844	16,193	70,037
Past Gravel Permits	-	-	393,735	393,735
	<u>\$ 233,244</u>	<u>\$ 376,633</u>	<u>\$ 409,928</u>	<u>\$ 1,019,805</u>

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

12. OTHER INCOME

Shxwha:y Village received other income during the year in the amount of \$106,355, consisting of the following:

Administration	\$ 20,814
Band Revenue	63,544
Property Taxation	21,997
	<u><u>\$ 106,355</u></u>

13. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	<u><u>2014</u></u>	<u><u>2013</u></u>
Operating funds	\$ 7,649,287	\$ 7,113,464
Equity in trust funds	221,707	221,088
Capital fund	1,524,037	1,242,384
	<u><u>\$ 9,395,031</u></u>	<u><u>\$ 8,576,936</u></u>

14. PRIOR PERIOD ADJUSTMENTS

The prior year's figures have been restated to record an investment in Four Corners Tribal Business Corporation. The result is a decrease to the Economic Development consulting expenditures of \$33,750 and an increase in Government business enterprise investments of \$33,750.

The prior year's figures have been restated to correct an error in the financial statements of one of the First Nation's investees, the Ch-ihl-kway-uhk Forestry Limited Partnership. The result is a decrease in Band Revenue investments revenue of \$23,291 and a decrease in Government business enterprise investments of \$23,291.

The prior year's figures have been restated to record distributions payable to members from previous years. The result is an increase in accounts payable of \$177,776, an increase in Band Revenue distributions to members expenditure of \$384, and a decrease in Band Revenue opening accumulated surplus of \$177,392.

The prior year's figures have been restated to record road claims payable to members from previous years. The result is an increase in accounts payable of \$247,345, an increase in Schweey Road Specific Claims distributions to members expenditure of \$2,520, and a decrease in Schweey Road Specific Claims opening accumulated surplus of \$244,825.

SHXWHA:Y VILLAGE
Notes to the Financial Statements
March 31, 2014

15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	<u>2014</u>	<u>2013</u>
Administration	\$ 2,030	\$ 126
Advertising	7,102	2,934
Amortization	154,132	142,317
Bad debt	15,093	36,040
Bank charges and interest	4,814	3,671
Capital purchases	-	47,789
Computer equipment	4,719	-
Consulting	394,503	385,878
Council travel	-	3,752
Cultural activities	8,100	280
Distributions to members	145,478	182,984
Donations	300	2,600
Education	5,350	8,260
Equipment rentals	-	175
Fishing/Headwaters	-	11,451
Funerals and emergencies	44,362	16,841
Garbage removal	22,010	17,062
Honoraria	379,740	275,284
Insurance	25,043	23,903
Interest on long-term debt	17,152	13,365
Janitorial	11,122	12,005
Loss on disposal of tangible capital assets	52,924	1,484
Lunch program	2,039	1,262
Meetings	29,572	5,137
Membership fees	135	700
Merchandise	2,941	5,632
Newsletter	-	60
Office and sundry	27,345	9,516
Professional development training and workshops	-	3,179
Professional fees	325,044	57,415
Project management	-	5,000
Repairs and maintenance	91,207	15,011
Replacement reserve	21,112	22,450
Special events	-	12,525
Supplies and materials	98,538	55,902
Telephone	34,369	42,547
Travel and training	102,164	159,396
Utilities	39,756	22,072
Wages and benefits	332,594	395,293
Wage benefits	29,409	-
Youth programs	14,818	5,408
	<u>\$ 2,445,017</u>	<u>\$ 2,006,706</u>

16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.